

FISCAL NOTE

HB 3079 - SB 3230

March 10, 2006

SUMMARY OF BILL: Authorizes local governments to increase, by ordinance, the limit for purchases that do not require public advertisement or competitive bidding. The current limit is \$1,000. According to the provisions of this bill, the limit would be equivalent to 40% of the maximum dollar amount established in T.C.A. § 6-56-306. This amount is currently set at \$10,000. Therefore, the current purchasing limit for such purchases would be 40% of \$10,000 or \$4,000 for those local governments adopting the required ordinance.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Not Significant/Permissive

Assumptions:

- To the extent that local governments pass ordinances authorizing such purchases, there will be an increased cost to local governments to purchase some items due to the lack of the competitive process. Such increase is estimated to be not significant.
- Local governments will use discretion when making such purchases to ensure that fair values are paid for any items purchased in this manner.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director